

## Message Text

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ACTION NEA-10

INFO OCT-01 IO-13 ISO-00 EB-08 COME-00 OES-07 L-03  
ABF-01 FS-01 TRSE-00 PPT-01 CA-01 /046 W  
-----053785 311141Z /11  
R 301213Z MAR 78  
FM AMEMBASSY NEW DELHI  
TO NSF WASHDC  
SECSTATE WASHDC 555  
INFO USMISSION GENEVA

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E.O. 11652: N/A  
TAGS: TPHY, OSCI, TGEN, IN  
SUBJECT: MONEX PREPARATIONS

REFS: (A) STATE 207171; (B) NEW DELHI 12415; (C) STATE 222907;  
(D) NEW DELHI 4132

### SUMMARY

SCIATT HAS MET WITH MEA AND METEOROLOGICAL DEPARTMENT OFFICIALS IN AN EFFORT TO SPEED UP WORK ON A PROTOCOL ON PARTICIPATION IN MONEX. THE GOI IS NOW APPARENTLY INCLINED TO WORK ON A SUCCESSION OF BILATERAL MONEX AGREEMENTS, AND WILL TAKE UP THE US ONE FIRST. THE METEOROLOGICAL DEPARTMENT IS CONFIDENT THAT ALL OUR PROBLEMS WILL EVENTUALLY BE WORKED OUT, AND IS HOPING TO CONVENE AN INDO-US NEGOTIATING MEETING IN LATE APRIL OR EARLY MAY. REALISTICALLY, A SIGNED AGREEMENT IS STILL SOME MONTHS AWAY, HOWEVER. MEANWHILE, FURTHER CHECKING HERE HAS REVEALED THAT THERE WOULD BE CERTAIN COMPLICATIONS INVOLVED IN RE-DOCUMENTING GROSSMAN WITH AN OFFICIAL PASSPORT. WE ARE TRYING TO FIND OUT MORE PRECISELY WHAT HIS TAX STATUS IS NOW AND BASED ON THE OUTCOME OF THESE CONSULTATIONS WILL PROVIDE A FIRM RECOMMENDATION. ACTION REQUESTED: INORDER TO EXPEDITE GOI WORK ON DRAFT  
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AGREEMENT, URGENTLY REQUEST ANY INFO NSF CAN PROVIDE ON DETAILS OF US PARTICIPATION. SINCE WE UNDERSTAND NSF WISHES TO FUND OUR PARTICIPATION WITH RUPEES, WE ALSO NEED INFORMATION ON HOW MUCH MONEY WOULD BE INVOLVED. END SUMMARY.

1. SCIATT BRIEFED MEA JOINT SECRETARY (AMERICAS) ASRANI MARCH 28 ON MONEX AND GROSSMAN'S PARTICULAR PROBLEMS, MENTIONING THAT

WE UNDERSTOOD INDIRECTLY THAT WMO HAD WRITTEN TO INDIAN FOREIGN MINISTER. ASRANI HAD NOT HEARD OF ANY OF THIS, BUT PROMISED TO CHECK AND TO HELP IN ANY WAY HE COULD.

2. SCIATT THEN MET ON MARCH 29 WITH Y.P. RAO, DIRECTOR GENERAL OF OBSERVATORIES, METEOROLOGICAL DEPARTMENT, AND C.R.V. RAMAN, MONEX PROJECT DIRECTOR. RAO SAID THAT HIS DEPARTMENT WAS NOW WORKING ON A BILATERAL INDO-US AGREEMENT GOVERNING US PARTICIPATION IN MONEX. CONTRARY TO OUR EARLIER INFORMATION, THEY FELT THAT SINCE THE US INVOLVEMENT WAS BY FAR THE MOST COMPLEX OF ANY OF THE INTERNATIONAL PARTICIPANTS, CERTAIN PROVISIONS (E.G. THOSE FOR AIRCRAFT INVOLVED IN EXPERIMENT) MIGHT NOT BE REQUIRED FOR ALL INTERNATIONAL PARTICIPANTS. THUS THEY PLANNED TO WORK FIRST ON AN AGREEMENT WITH THE US AND THEN SIMPLY BORROW FROM THAT WHATEVER CLAUSES WERE NECESSARY TO COVER OTHER INTERNATIONAL PARTICIPANTS.

3. RAO SAID THAT THE GOI INTERNATIONAL COMMITTEE TO DRAFT AND EVENTUALLY NEGOTIATE THIS AGREEMENT WAS NOW BEING CONSTITUTED "AT AN APPROPRIATELY HIGH LEVEL" INCLUDING ALL CONCERNED MINISTRIES. HE HOPED THAT IT WOULD BE FULLY FORMED AND ABLE TO MEET BY NEXT WEEK. HE THEN SAID THAT A MEETING BETWEEN THIS GROUP AND US REPRESENTATIVES SHOULD BE HELD IN LATE APRIL OR EARLY MAY TO FINALIZE NEGOTIATIONS ON THE AGREEMENT. THE AGREEMENT SHOULD COVER NOT ONLY PERSONAL TAX AND CUSTOMS STATUS OF PARTICIPATNS BUT ALSO AIRCRAFT OPERATIONS, BUNKERING, COMMUNICATIONS REQUIREMENTS, LIMITED OFFICIAL USE

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SEARCH AND RESCUE REQUIREMENTS, AND ANY OTHER ASPECTS OF OUR PARTICIPATION WHICH REQUIRED A FORMAL AGREEMENT WITH THE GOI. HE SAID THAT HE HAD DISCUSSED THIS WITH KUETNER OF NSF.

4. SCIATT ASKED WHETHER RAO AND MONEX PROJECT DIRECTOR RAMAN HAD ADEUQUATE INFORMATION ON US REQUIREMENTS FOR PARTICIPATION IN MONEX TO DRAW UP A PRELIMINARY DRAFT IN PREPARATION FOR A NEGOTIATING MEETING. RAMAN SAID THAT HE NEEDED INFORMATION ON A NUMBER OF POINTS. WE UNDERSTAND THAT THE METEOROLOGICAL DEPARTMENT HAS TELEXED THE LIST OF POINTS TO KUETNER. WE ARE POUCHING IT TO KUETNER AND THIBAUT (NEA/INS). THE INFORMATION MOST URGENTLY REQUIRED DEALS WITH DETAILS OF PROPOSED AIRCRAFT OPERATIONS.

5. GROSSMAN SITUATION: IN MEETING WITH R O, SCIATT ONCE AGAIN EXPRESSED OUR SERIOUS CONCERN AT HIS UNRESOLVED TAX AND CUSTOMS STATUS. (NSF SHOULD NOTE THAT HE HAS A MULTIPLE ENTRY VISA GOOD FOR SIX ENTRIES INFO INDIA, OF WHICH HE HAS FOUR ENTRIES LEFT.) RAO SAID HE HAD BEEN TRYING TO CLARIFY THINGS WITH THE INCOME TAX OFFICIALS BUT BASICALLY SEEMED TO BELIEVE THAT THE FULL RESOLUTUION OF HIS PROBLEMS WOULD COME ONLY FROM THE INDO-US MONEX AGREEMENT. HE FELT THAT THERE SHOULD BE NO PROBLEM IN MAKING THE

AGREEMENT RETROACTIVE TO COVER GROSSMAN'S TIME HERE BEFORE THE AGREEMENT IS SIGNED; SCIATT SAID WE WOULD CERTAINLY INSIST ON SUCH AN INTERPRETATION.

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ACTION NEA-10

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ABF-01 FS-01 TRSE-00 PPT-01 CA-01 /046 W  
-----056536 311140Z /10

R 301213Z MAR 78  
FM AMEMBASSY NEW DELHI  
TO NSF WASHDC  
SECSTATE WASHDC 556  
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6. WE HAVE MEANWHILE CHECKED FURTHER INTO THE MECHANICS OF RE-DOCUMENTING GROSSMAN WITH AN OFFICIAL PASSPORT. (YOU SHOULD NOTE THAT NEW DELHI 3911 DID NOT REPEAT NOT CANCEL THE REQUEST FOR AN OFFICIAL PASSPORT BUT SIMPLY ASKED THAT IT BE HELD IN WASHINGTON UNTIL WE FIGURE OUT WHERE IT COULD BEST BE PICKED UP.) THIS WOULD INVOLVE HIS LEAVING THE COUNTRY, RE-ENTERING WITH HIS OFFICIAL PASSPORT AND VISA, AND BEING NOTIFIED TO MEA AS AN EMBASSY STAFF MEMBER. IN THIS CAPACITY HE WOULD BE ENTITLED TO IMPORT HIS HOUSEHOLD EFFECTS FREE OF CUSTOMS DUTY DURING A FOUR-MONTH PERIOD FOLLOWING HIS ARRIVAL IN OFFICIAL STATUS. HOWEVER, TECHNICALLY, THE RULES APPEAR TO REQUIRE HIM TO EXPORT HIS EFFECTS AT THE TIME HE LEAVES UNDER HIS OLD PASSPORT AND RE-IMPORT THEM AS AN OFFICIAL. DOING THIS WOULD INVOLVE HIS OBTAINING A STATEMENT OR WAIVER FROM THE INCOME TAX AUTHORITIES. IF HE SIMPLY LEFT HIS EFFECTS HERE AND REAPPEARED ON A NEW PASSPORT, THERE WOULD STILL BE A RISK THAT THE CUSTOMS AND INCOME TAX AUTHORITIES WOULD DISCOVER THAT THE "NON-OFFICIAL" GROSSMAN HAD NO RE-EXPORTED HIS EFFECTS, AND THAT THIS WOULD INVOLVE GROSSMAN AND POSSIBLY THE EMBASSY IN A PROTRACTED WRANGLE WITH THE AUTHORITIES.

7. GROSSMAN IS LOOKING INTO WHAT TAX LIABILITY THE INDIANS WOULD BE CLAIMING FROM HIM IF THEY HOLD THAT HE FELL UNDER THE SECTION  
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OF THE LAW DEALING WITH RESIDENT ALIANES NOT SPECIFICALLY EXEMPT FROM TAXES. GROSS MAN TELLS US THAT KUETNER TOLD HIM NSF WOULD BE PREPARED TO REIMBURSE HIM IF IT CAME TO A SITUATION WHERE THERE WAS NO WAY AROUND SOME TAX LIABILITY. CAN NSF CONFIRM?

8. BASICALLY THERE APPEAR TO US THREE ALTERNATIVES FOR GROSSMAN. THE FIRST IS TO WAIT OUT AN OVERALL MONEX AGREEMENT AND DO NOTHING ABOUT CHANGING STATUS. SECOND, GROSSMAN SHOULD LEAVE THE COUNTRY AND RE-ENTER ON OFFICIAL PASSPORT. THIRD, HE COULD LEAVE THE COUNTRY ON EXTENDED IMMC BUSINESS AND NOT RETURN UNTIL AN AGREEMENT IS SIGNED. (HIS VISA IS GOOD TILL DECEMBER). WE HAVE DISCUSSED THESE AT LENGTH WITH GROSSMAN AND FEEL THAT, IN ORDER TO MAKE A FIRM RECOMMENDATION, WE NEED (I) MORE INFORMATION ON POTENTIAL TAX LIABILITY; (II) ADDITIONAL PROBLING TO ASSESS IMPLICATIONS AND RISKS INVOLVED IN FOLLOWING ANY ONE OF THE THREE ALTERNATIVES; AND (III) A BETTER FEEL FOR THE PACE OF PREPARATIONS FOR THE AGREEMENT. WE SHOULD HAVE THE INFORMATION IN THE NEXT WEO WEEKS.

9. ACTION REQUESTED: INORDER TO HELP GOI MOVE AHEAD ON DRAFT AGREEMENT, WE NEED URGENTLY ANY INFO NSF CAN PROVIDE ON RAMAN'S QUESTIONS, ESPECIALLY THOSE PERTAINING TO AIRCRAFT OPERATIONS. RAMAN SAYS THAT EVEN PARTIAL INFORMATION WOULD HELP. MANY OF THESE DETAILS WOULD NOT ACTUALLY BE INCLUDED IN THE AGREEMENT, WHICH WOULD HAVE TO HAVE SOME FLEXIBILITY IN IT. BUT THEY ARE NEEDED TO BRIEF THE GOI MINISTRIES WHO WILL BE CLEARING THE AGREEMENT. WE ALSO URGE NSF TO KEEP US FULLY INFORMED OF ANY REPRESENTATIONS THEY MAKE ON THIS ISSUE, PREFERABLY BY STATE DEPARTMENT CABLE AS COMMERCIAL CABLES INVOLVE A CONSIDERABLE INCONVENIENCE TO THE POST.  
GOHEEN

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## Message Attributes

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